



To the Mayor and Members of the City Council

July 28, 2015

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SUBJECT: 15 YEAR BUDGET HISTORY – FINANCIAL MANAGEMENT SERVICES

In an effort to provide a framework for current and future budget requests, staff is providing 15 years of historical data by department over the next several months. Data includes Fiscal Year 2000 through Fiscal Year 2015.

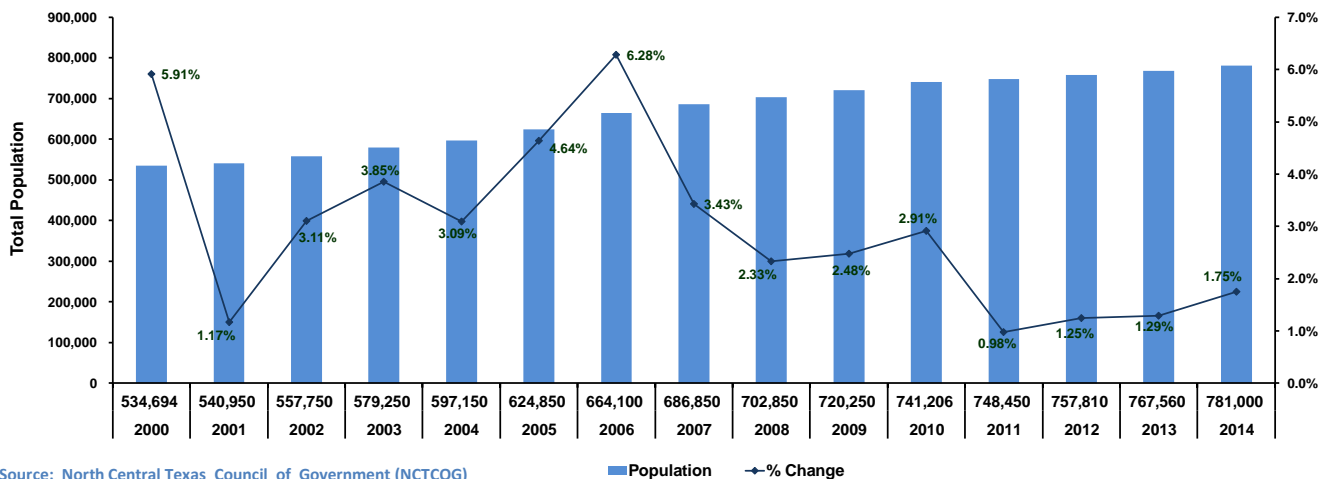
In graph format, the data includes the following components:

1. Population
2. Staffing Levels with Population
3. Square Miles of the City of Fort Worth
4. Adopted Budget with Square Mileage
 - a. General Fund and other funds as applicable

Population

From 2000 to 2015, the population in Fort Worth grew by 246,306 new citizens or about 46 percent. This trend is expected to continue as Fort Worth continues to be singled out as one of the fastest growing large cities in both Texas and America.

Fort Worth Population Growth



Square Miles

By comparison, the square mileage in the City grew from 308 to 353 square miles, or 15 percent. The 25 square mile increase from 2002 to 2003 included the annexation of 7,744 acres known as 287 Zone LPA (M&C PZ-2438).

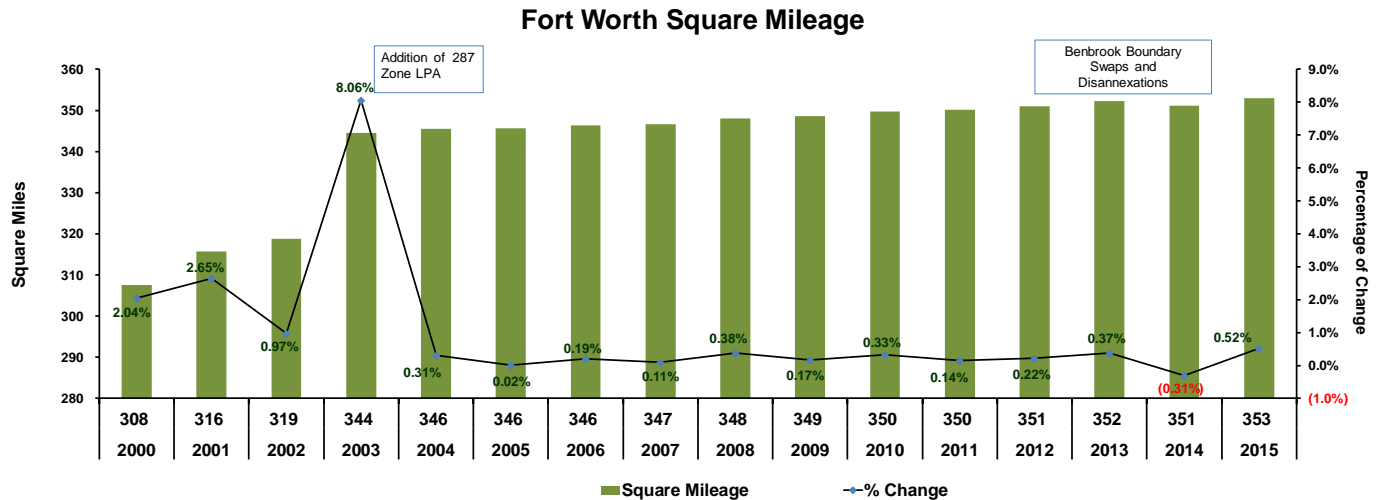


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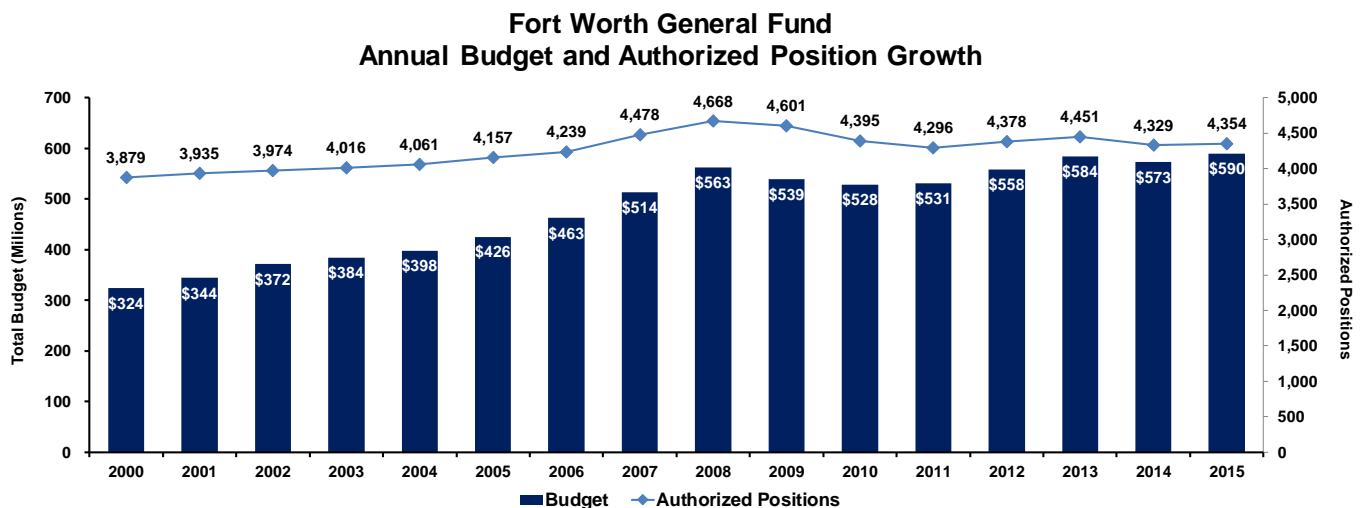
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General Fund Annual Budget and Authorized Positions

The overall growth in population and service area has had its impact on the General Fund total budget and authorized positions. The General Fund adopted budget increased 82 percent from 2000 to 2015, while the authorized positions increased 12 percent over same period.



Impact of Growth in Population and Square Mileage Relative to Budget

The combined Financial Management Services Department (FMS) (including Risk Management, Budget, Capital Projects, Office Services and the Mailroom) authorized positions (APs) increased from 65 staff members in 2000 to 104 in 2015, an increase of 60 percent. Although the Risk Management Division did not merge with FMS until 2002, it is shown for all 15 years for continuity. The chart below depicts the



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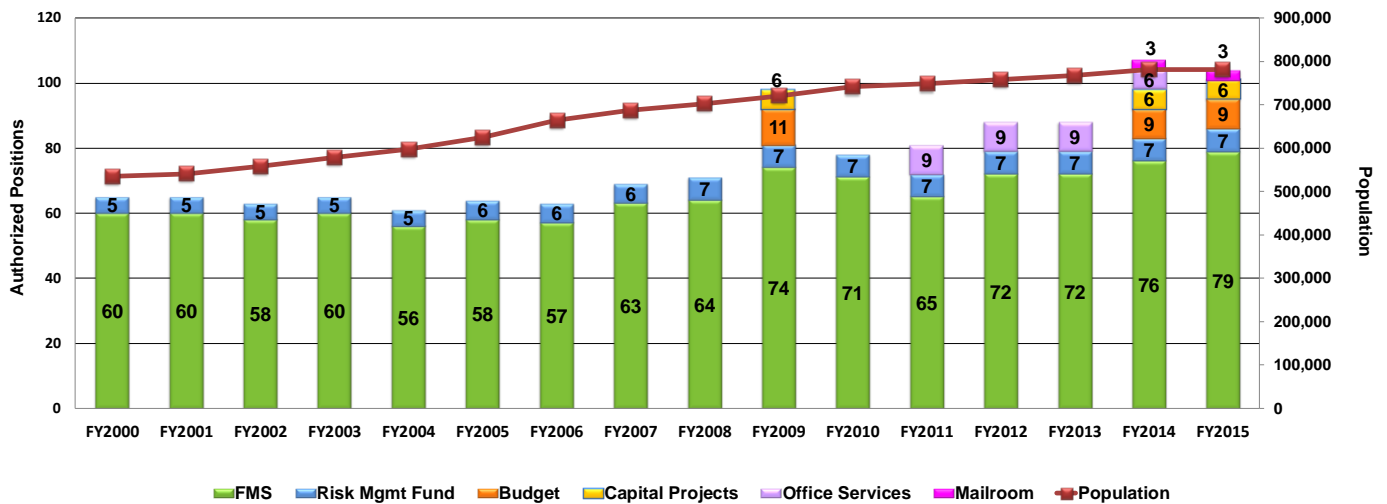
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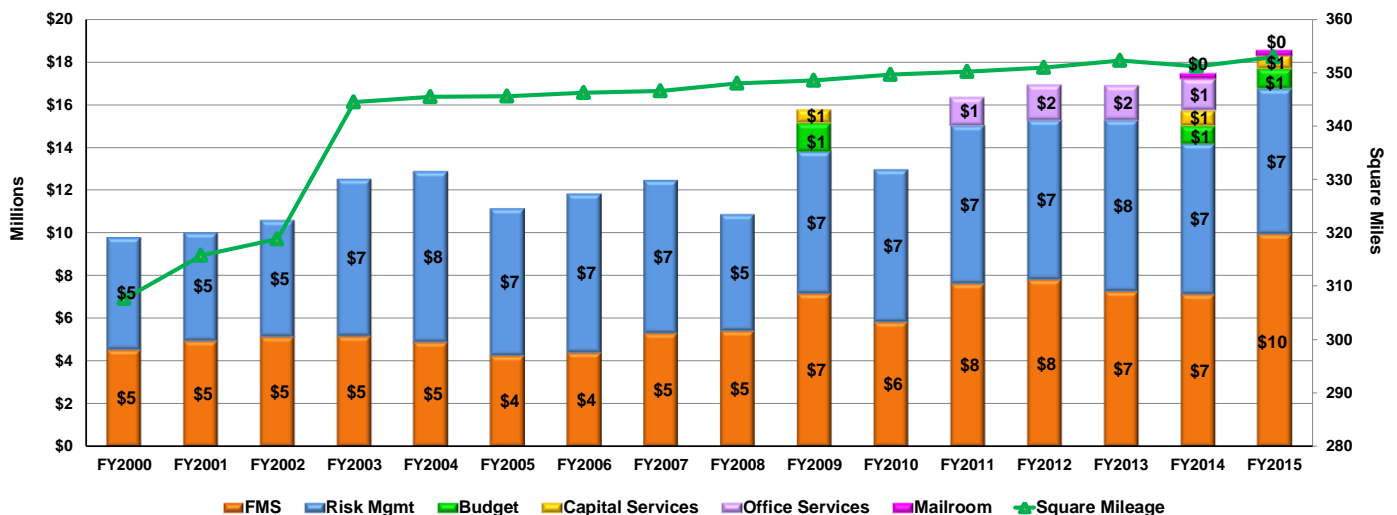
different activities and divisions that have been merged within the Financial Management Services Department over time. The core finance functions grew from a staff of 60 in fiscal year 2000 to a staff of 79 in fiscal year 2015, representing a 31 percent increase.

**Financial Management Services Department Authorized Strength
(all funds)**



The total annual budget for the Financial Management Services Department increased from \$9.8M in FY2000 to \$18.5M in FY2015, about 89 percent. The cost of the combined services provided by the Department relative to population increased from \$18,366 per 1,000 citizens in FY2000 to \$23,779 in FY2015.

**Financial Management Services Department Adopted Budget
(all funds)**



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It should be noted that changes to the Risk Management budget are mainly attributable to legal and claim costs which fluctuate based on the number of claims and lawsuits filed against the City. Other significant changes to the department, both in authorized positions and budget, are noted below.

FY2002 – The Risk Management Department was eliminated and the Property and Casualty Fund functions merged into the Finance Department as the Risk Management Division. While the budget is maintained separately in the Risk Management Fund, the five APs in Risk were transferred into the General Fund – Finance Department. This was offset by the transfer out of three Intergovernmental Affairs and Grant Management positions.

FY2003 – Authorized positions increased by two for the addition of an office assistant in the Administrative Division and a senior customer service representative in the Treasury Division-Revenue Office.

FY2004 – Eliminated four vacant positions including a buyer, a senior accountant, an office assistant position and a risk management analyst.

FY2005 – Authorized positions increased due to the addition of two positions, a senior administrative assistant and an office assistant. The adopted budget decreased by (\$996K) for Information Technology costs which was based on a new funding strategy to more equitably distribute costs citywide. One AP was added to the Risk Management Fund.

FY2007 - The adopted budget increased by \$488K due to increased salaries associated with the City's compensation plan and the addition of three positions in the Accounting Division to improve supervisory oversight and efficiency in the department. These additions include an accounting manager, a financial reporting coordinator, and a senior accountant. Three overage positions, a purchasing supervisor, a senior accountant, and IT analyst, were converted to permanent.

FY2008 - The adopted budget increased due to the implementation of the Accounting Reorganization-Phase II. This reorganization included the addition of two senior account clerks, three senior accountants, and one accounting services supervisor. The Records Management Division was transferred to the City Manager's Office. This transfer included four APs and all associated funding. Additionally, one assistant chief accounting officer position was eliminated and a risk management analyst position was added to strengthen subrogation activities.

FY2009 - The adopted budget increased by \$1.7M as a result of the merger of the Budget and Management Services Department with the Financial Management Services Department. This transfer included 17 APs responsible for budget research, development and re-estimates, capital projects coordination and management, budget systems administration (CPMS and BRASS), and utility management and coordination. The adopted budget increased by \$700K and a total of ten new APs including a senior accountant and a senior account technician who will be responsible for gas well management within the department; two contract compliance specialists and a purchasing/contracts supervisor for the newly created Contract Compliance Section within Purchasing; and five accounting staff positions added to support the development of the Comprehensive Annual Financial Report (CAFR). The Risk Management Division was transferred from the General Fund into the Risk Management Fund, which shifted \$473K from Financial Management Services General Fund to the Risk Management Fund. This

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transfer consolidated all risk management functions within a centralized fund. Lastly, a senior administrative assistant was transferred to the Economic and Community Development Department for Public Improvement District (PID) management.

FY2010 - The adopted budget decreased by (\$2M) due to the transfer of the Budget and Research Division and Budget Systems to the City Manager's Office. The Capital Projects Team was transferred to the Capital Projects Service Fund. One AP in Utility Management was transferred to the Law Department, for a total transfer out of 17 APs. The adopted budget decreased by (\$368K) for the reduction of four APs including a financial services manager, administrative secretary, buyer and senior accountant.

FY2011 - The adopted budget decreases by (\$442k) and six APs for the deletion of a senior accountant, accountant, administrative technician, customer service representative II, IT manager and a senior IT programmer analyst as part of City-wide reductions. The adopted budget increased by \$1.3M for staff augmentation during implementation of the ERP system, \$450K for bank fees and \$380K for staff augmentation to support the publication of CAFR.

FY2012 - The adopted budget increased by seven APs for financial management services positions restored from prior year or newly created positions including an accountant, senior accountant, senior IT analyst, IT manager, buyer, accounting services supervisor and one financial coordinator.

FY2014 - The adopted budget increased by \$1M and nine APs due to the transfer in of the budget and research division. The adopted budget increased by \$339K and five APs for the conversion of five overage positions to permanent status. However, the cost of these positions is completely offset by a reduction in contractual services budget. The adopted budget increased by \$232K and three APs for the transfer in of the mailroom function from the Office Services Fund. The adopted budget decreased by (\$111K) for the elimination of one financial services manager.

FY2015 - Authorized positions increased by four for staff to supplement the existing Accounting and Financial Reporting teams with the annual audit and publication of the CAFR as well as working on process improvements across the department. Costs for these positions were offset by reductions in professional services associated with the production of the City's CAFR. The Office Services Fund transferred to the City Manager's Office for management along with six APs. The budget decreased slightly for the reduction of two accountants in exchange for the addition of one senior accountant. The adopted budget increased by \$1.2M for the transfer in of the contract for the CAFR audit from the City Auditor's office.

Hopefully you find this information helpful. If you have any questions, please call Aaron Bovos, Financial Management Services Director at 817-392-8517.

David Cooke
City Manager